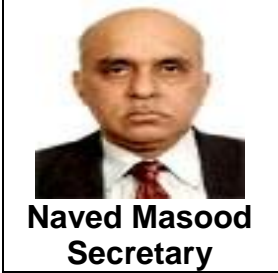


MINISTRY OF CORPORATE AFFAIRS
NEWSLETTER-OCTOBER 2012

From Secretary's Desk



The economic performance in the first half of the current fiscal indicates no immediate turning point in the growth prospect of the Indian economy. The monthly released statistics on industrial output, export performance, headline inflation etc. suggests that the deceleration in GDP growth, which started with an annual growth rate of 6.5 percent last year, would continue this year. The latest forecast pegs the GDP growth in the range of 5.5 to 6.0 percent in the current year.

The slow growth of Indian economy must be seen in the back-drop of subdued global and domestic developments. Growth deceleration in the US economy, China and Euro-zone, continuation of debt-crisis in the Euro-area; weak manufacturing output and persistent inflation in domestic market have severely impacted both consumption and investment sentiments in the country. As per latest IMF forecast, the world economy is expected to expand by 3.3 percent in 2012, down from its earlier estimate of 3.5 percent made in July. Indian economy is estimated to grow by 4.9 percent, down from 6.1 percent.

The Index of industrial production (IIP), during the first six months of the current year has registered a growth of 0.2% only as against an increase of 5.1 percent during the corresponding period last year. This decline is mainly on account of contraction in the manufacturing sector. The capital goods production has shown a decline of 13.7 percent during the period under reference. The aggregate investment accordingly has suffered a setback. Gross Fixed Capital Formation (GFCF) in the April-June 2012 stood at 29.9% of GDP as compared to 31.2% in the same period last year. This could pose severe supply side constraint for the economy in the coming quarters.

I am happy to note that in spite of moderation in the growth of sales volume, the non-bank non-financial companies, which have announced their September quarter performances, have realised spectacular growth in both net profit and operational profit; and this has been possible through better expenditure management. The corporate sector has geared itself well in a time of some adversities, and I welcome the spirit of this entrepreneurial resilience.

The buoyancy in the capital market with strong FII inflows observed since the announcement of policy reforms in September 2012 that liberalised FDI in retail, aviation, insurance & pension and broadcasting etc., is expected to gain momentum with further reforms on the anvil. The pre-requisite for an early recovery would be a combined and concerted effort to be made by all the stake holders, be it the government or private sector. I urge upon the corporates to seize the opportunity in the emerging policy space and come forward to play an effective role and contribute their bit for the cause of collective prosperity.



New Minister: Shri Sachin Pilot has taken charge as Minister of State for Corporate Affairs (Independent Charge) from 28.10.2012.

Senior Level Appointment: Shri N.K. Bhola, an officer of Indian Corporate Law Service, on his promotion to SAG level has been posted as Regional Director, North-Eastern Region, Guwahati.

Companies Bill, 2011: A proposal to move certain amendments to the Companies Bill, 2011 has been approved by the Government of India on October 4, 2012. Necessary notice for moving such amendments to the Bill would be given as soon as the Winter Session of Parliament is convened.

Validation Tool for XBRL filings: The MCA Validation Tool for XBRL filings of Financial Statement for FY 2011-12 has been finalized during the month of October 2012 and since 14.10.2012 the XBRL filings were enabled. Out of the target population of select large companies 20 companies have done their filings in the month of October, 2012. The time limit to file financial statements in XBRL mode has been extended till 15th December, without attracting any additional fee.

Competition (Amendment) Bill, 2012: The proposal of the Ministry to further amend the Competition Act, 2002 has been approved by the Government, in order to fine tune the Act to meet the present day needs in the field of competition. The Competition (Amendment) Bill, 2012 would be reintroduced in the Winter Session of Parliament.

Committee on ‘Reforming the Regulatory Environment’: The Ministry constituted a committee on ‘Reforming the Regulatory Environment for doing Business in India’ under the chairmanship of Shri M. Damaodaran. The 1st Meeting of the committee was held on 10.10.2012. On the basis of deliberations in the meeting it has been decided to include representatives from PSU Banks/ NTPC and BHEL in the committee, so as to make the committee more broad based.

New Notifications issued:

1) Notification G.S.R (E) dated 01.10.2012 in regard to amend the Companies (Issue of Indian Depository Receipts) Amendment Rules, 2012 as follows:-

“(i) A holder of IDRs may transfer the IDRs, may ask the domestic depository to Redeem them or, any person may seek reissuance of IDRs by conversion of Underlying equity shares, subject to the provisions of the Foreign Exchange Management Act, 1999, Securities & Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued under these Acts or other law for the time being in force.”

2) Notification G.S.R (E) dated 12.10.2012 in regard to amend the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011. All companies listed with any Stock Exchange (s) in India and their Indian subsidiaries; or all companies having paid up capital of rupees five crore and above; or all companies having turnover of Rs. 100 crore and above or ; all companies covered under rule 3 have to file their Balance Sheet, Profit & Loss Account and any other document as required under section 220 of the Companies Act, 1956 with the Registrar using the Extensible Business Reporting Language (XBRL) taxonomy for the financial year commencing on or after 1st April, 2011 with e-form No.23AC-XBRL and 23ACA-XBRL specified under the Companies (Central Government) General Rules & Forms, 1956.

3) Vide Notification G.S.R (E) dated 15.10.2012, **7th RD office of (NER) Guwahati** has been created, which shall have jurisdiction over 7 NE states of Assam, Meghalaya, Tripura, Nagaland, Manipur, Mizoram and Arunachal Pradesh.

New Circulars issued:

1) Vide General Circular No.32/2012 dated 15.10.2012, three new Members from SBI, NTPC, and BHEL were included in the Committee on ‘Reforming the Regulatory Environment for doing Business in India’.

2) Vide General Circular No.34/2012 dated 25.10.2012. The time limit to file the financial statement in the XBRL mode without any additional

fee/penalty has been extended up to 15th December, 2012 or within 30 days from the date of Annual General Meeting of the company whichever is later.

Investor Education and Protection Related Activities:

(a) A new website has been set up for the companies to file details of unpaid and unclaimed amounts of investors for last seven years and not yet transferred to the consolidated Fund of India. This website would enable the investors to search and locate the relevant information of such amounts. 4562 number of companies has uploaded their data till October, 2012.

(b) 205 Investor Awareness Programme were conducted in the month of October, 2012 through Professional Institutes in different parts of the country.

Events at Competition Commission of India:

1. Shri Ashok Chawla, Chairperson, CCI delivered a lecture on “Mega Trends: Socio – Political and Economic – Focus Areas for the Future” on 15/10/2012 at Lal Bahadur Shastri National Academy of Administration, Mussorie as a part of Mid Career Training Programme for IAS Officers.
2. Dr. Geeta Gouri, Member, CCI gave a presentation on “Competition Law & Central Public Enterprises” at SCOPE IIM-C workshop on Advanced Global Leadership Programme at SCOPE Convention Centre New Delhi held on 13/10/2012.
3. Shri R Prasad, Secretary, CCI delivered a lecture at IIM Ahmedabad on 13/10/2012 as part of the PGPX Speaker Series.
4. Shro S L Bunker, Secretary, CCI participated in the ORCD’s Working party 3 Competition Committee Meeting and 2012 Advocacy Workshop” held in Paris, France during 24th to 27th October, 2012.
5. Ms. Payal Malik, Adviser, Shri R N Sahay, Adviser and Shri Rajinder Kumar, Dy. Director made presentations on “Role & Functions of CCI”, “Use of Economic Tools in Competition Issues and Competition Law & Policy” at IIT Kanpur 23/10/2012.

6. Shri Manoj Saksena, Jt. DG and Ms. Rohini, Expert, CCI participated in a seminar on “Unilateral Conduct: Exclusive pricing and Anti-Competition Practices” organized by Taiwan Fair Trade Commission at in Manila, Phillipines during 3rd to 4th October, 2012.
7. Shri K D Singh, Dy. Director, CCI attended workshop on Competition issues in the aviation sector organized by OECD KPC held in Busan, Korea from 17th to 19th October, 2012.
8. A Seminar was conducted on “Competition Issues in the Indian Pharmaceuticals Industry in CCI office on 04/10/2012. Dr. Kensuke Kubo, Prof. Economics and planning unit, Indian Statistical Institute, New Delhi was the main speaker.
9. A conference on “Curbing Deficit through effective Competition in Public Procurement” was organized for Finance Advisers/Nodal Officers of various Ministries/Departments on 10/10/2012 at India Habitat Centre, New Delhi.
10. An agreement has been executed between CCI and India Development Foundation (IDF), Gurgaon on 22/10/2012 to set up a Dedicated Research Unit (DRU) at IDF.

Major Developments/ Activities at Indian Institute of Corporate Affairs:

1) National Policy Forum on Promoting Business Responsibility in the Pharmaceutical and the Private Healthcare Sectors

CUTS – International, in association with the Indian Institute of Corporate Affairs organised the National Policy Forum on Promoting Business Responsibility in the Pharmaceutical and the Private Healthcare Sectors on October 8, 2012 in New Delhi. The team at CUTS has been implementing the project titled “Exploring the Interplay between Business Regulation and Corporate Conduct” since the past one year. The entire plan was to consider facilitation of implementation of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) introduced by the Ministry of Corporate

The forum was privileged by the participation of various luminaries from diverse backgrounds Affairs, Government of India in July 2011. While speaking out on the moot point i.e. promoting business responsibility in the pharmaceutical and private healthcare sectors, the experts of the likes of Amar Jesani, Padma Deosthali (CEHAT) asserted the lack of abundance of regulation among the sectors together with the paucity of relevant data in the public domain. All the participants in the forum agreed that we needed better and more responsible healthcare facilities and pharmaceutical provisions.



2) International Conference on Socially Responsible Products and Services for Sustainable Asia and Beyond

SR Asia, in partnership with IICA organized an International Conference on 18th and 19th October 2012 at New Delhi. The main theme of the conference was “Socially Responsible Products and Services for Sustainability”.

SR Asia is an International organization predominant in Asian countries creating bench marks and new standards in the field of SR. SR Asia has foot prints in more than eleven countries and follows the principle and approach of AOP Japan and NPOs of its member countries.

Some of the other prominent partners who participated in the conference were:

- a) Center for promotion of imports from the developing countries (CBI), Netherlands
- b) CSR, Europe, Brussels
- c) Federation of Indian chamber of Commerce and Industry (FICCI)
- d) UN Global Compact Network India

Senior level delegated from various governments, leading public and private sector companies, trade bodies, SMEs and Civil Society Organizations participated in this convention.

3) ICLS Academy conducted following training programme during the month of October 2012: -

i) Mid Career Training Programme for JTS/STS level ICLS Officers:

Five days Mid Career Training Programme on 08.10.12 to 12.10.2012 was conducted at IICA, Manesar, for JTS/STS level ICLS Officers. 22 JTS/STS level ICLS Officers from all regions and HQ attended the programme. The programme was on registry functions of the offices of Registrar of Companies.

ii) Mid Career Training Programme for Group 'B' Officials:

Two days Mid Career Training Programme on 29th and 30th October, 2012 was conducted at the office of Regional Director (SR), Chennai for Group 'B' Officials i.e. Junior Technical Assistants (JTA) of Southern Region. 19 JTAs attended the programme. The training programme was on understanding of Balance Sheets, Statutory Audit, Technical Scrutiny of Balance Sheets, Use of E-tools - EWS and New Company Bill 2011 etc.

iii) Induction Training Programme for ICLS Probationers (2nd Batch):

3rd Phase of Induction Training Programme for ICLS Probationers (2nd Batch) started from 17th September 2012 and will be continued upto 2nd November 2012 at IICA Manesar. The Probationary Officers will proceed on a study tour for 3 weeks from 5th November, to 23rd November 2012. During the 3rd phase of the training Probationary Officers have been taught major commercial laws i.e. Indian Contract Act, Partnership Act, Sale of Goods Act, Negotiable Instrument Act etc. and Amalgamation of Companies, Winding up of Companies, Implementation of XBRL, Accounting Standards, IFRS etc. under the Companies Act 1956.

Events at Serious Fraud Investigation Office (SFIO):

Meetings/Workshops organised in SFIO : On the first Tuesday of every month, the officers of SFIO sit together to discuss certain important current issue relevant for its functioning. It is designed to be a knowledge sharing platform called “Brainstorm”. A note is prepared by a group of officers on an assigned topic and a Power Point presentation is made on the topic, followed by a group discussion.

The rationale behind this initiative is to develop “Institutional memory” which can be accessed by officers of SFIO for guidance.

The following topics have been discussed in the last 3 meetings:

- (i) Corporate Criminal Liability – Company Directors’ and Officers’ liability for offences and the Principle of Attribution.
- (ii) Multi Level Marketing
- (iii) Unfolding Fraud
- (iv) Limitations under Companies Act
- (v) Special Rights given to Institutional Investors
- (vi) Writing of Investigation reports
